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January 9, 2007

To: Ms. Angela King (MARAMA) via electronic submission
From: Dominion

Re: Comments on MANE-VU Draft Report: *MANE-VU Modeling for Reasonable Progress Goals* (December 10, 2007)

Dear Ms. King:

We have reviewed and appreciate the opportunity to provide comment on the draft report *MANE-VU Modeling for Reasonable Progress Goals* (December 10, 2007) prepared by the Northeast States for Coordinated Air Use Management (NESCAUM). The report identifies a number of control strategies that modeling predicts would yield visibility benefits beyond those that would result from "on the books/on the way" air quality control programs. Included among these measures is the adoption of additional controls for a list of 167 "select" electric generation units (EGU) identified by MANE-VU as "most likely to affect" visibility in certain Class I areas within the MANE-VU region. Several EGU's owned and operated by Dominion are included in this list¹.

Dominion recognizes the importance of achieving acceptable levels of visual air quality in our nation's Class I areas and supports state efforts to achieve the improvement targets established by the uniform glide paths the states have set for each Class I area. These glide paths are generally accepted by EPA as demonstrating achievement of reasonable progress requirements under the EPA regional haze rule. We offer the following observations and comments concerning the NESCAUM report and MANE-VU's "blanket" call for 90% reduction in SO₂ emissions from all sources identified in the "select" list of EGU's.

First, the modeling conducted by NESCAUM to predict the impact of "on-the-books" and "on-the-way" controls implemented by the MANE-VU states and states in the neighboring regional planning organizations (RPO's) projects that **all** Class I areas within the MANE-VU region will achieve significant visibility improvements **beyond** the unified glide path by 2018. This means that emission reduction measures already in progress or that will be implemented to meet CAIR and other regulatory requirements are sufficient and in fact **exceed** requirements to demonstrate reasonable progress under EPA's regional haze regulation. We further note that while the MANE-VU analysis accounts for and captures projected visibility improvements from source-specific BART requirements in the Northeast region, it does not include the potential impact of BART-

¹ Specifically, Mt. Storm Units 1-3, Chesterfield Units 4-6, Chesapeake Energy Center Units 3&4, Yorktown Units 1-3, Brayton Point Units 1-3 and Salem Harbor Units 1-3.

specific reductions in the neighboring RPO's that could provide some additional level of visibility improvement in MANE-VU Class I areas.

Second, we question whether MANE-VU is justified in determining from a broad-based perspective that a 90% SO₂ reduction for **all** EGU's identified as affecting visibility in the MANE-VU region is reasonable under the reasonable progress provisions of the regional haze rules. The 1999 regional haze rule requires the states to consider the four statutory reasonable progress factors - the costs of compliance, the time necessary for compliance, the energy and non-air quality environmental impacts of compliance, and the remaining useful life of **any** potentially affected sources. While EPA's final guidance on setting reasonable progress goals appears to provide states with some discretion in terms of evaluating the cost of compliance for individual sources or source categories, we believe each individual source should be allowed to evaluate each of the criteria of the four factor analysis. Furthermore, sources already subject to BART are in the process of completing the required BART analysis, which encompasses an assessment of the same factors that must be addressed in establishing reasonable progress. Thus, any source that has already been subject to a BART determination assessment should be exempt from any further requirements. EPA implies this conclusion in its final guidance, observing that it is not necessary for states to reassess the reasonable progress factors for sources subject to BART for which the states have already completed a BART analysis (EPA *Guidance for Setting Reasonable Progress Goals Under the Regional Haze Program*, June 1, 2007, page 5-1).

Third, we wish to point out that Dominion is already implementing an aggressive emission reduction control program across its fossil generation fleets in the mid-Atlantic, New England and Midwest regions. This program includes the very sources identified in the MANE-VU list of 167 "select" EGU's. All three coal-fired units at Dominion's Mt. Storm Power Station in West Virginia are controlled with FGD systems that are achieving well over 90% SO₂ removal efficiency. All four units at the Chesterfield facility in central Virginia will be scrubbed by 2011, with the first FGD system scheduled for operation this year. Reductions are also planned for the Chesapeake Energy Center and Yorktown Power Station coal-fired units by 2015. In the New England region, the Brayton Point Power Station has plans to implement comprehensive emission controls to comply with stringent state SO₂ regulations. Dominion is also engaged in BART determination analyses with our various states for several of the sources/units identified by MANE-VU.

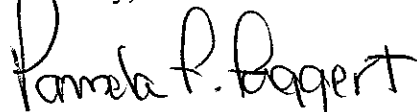
Finally, MANE-VU attempts to justify its call for 90% SO₂ reductions from each of the EGU's identified in its select list on the basis of projected health benefits to address the new PM_{2.5} daily standard and yet-to-be determined new 8-hour ozone standards in a draft companion report entitled *Public Health Benefits of Reducing Ground-level Ozone and Particle Matter in the Northeast U.S.* (November 14, 2007). While we recognize states will need to address the new PM NAAQS and new levels of the ozone standard (once determined), it is premature at this point to assume that a particular level of emission reduction from a select list of sources across a broad-based region is an appropriate strategy to address these issues. The states are currently in the process of

finalizing implementation plans to address the 1997 PM NAAQS and the current 8-hour ozone standard. EPA and the states have not established attainment designations under the revised PM2.5 standards and are not required to submit plans to address the new PM2.5 standard until 2013. With respect to a new 8-hour standard, EPA has not finalized the level of the new standard, and final attainment designations and state implementation plans are still years away. Consequently, states should be provided the time needed to assess the impacts of strategies and programs already in place to address the current standards, and to evaluate and determine the appropriate mix of control strategies that will be needed to address the new standards.

For these reasons, we do not believe that the implementation of a "blanket" control strategy across a select list of sources that are either already taking measures to reduce emissions under CAIR or already undertaking BART analyses is needed to demonstrate reasonable progress. As the MANE-VU modeling analysis clearly shows, existing and planned programs already "on-the-books" and "on-the-way" will achieve progress beyond the requirements identified in the uniform glide paths the states have already set for Class I areas.

Thank you once again for the opportunity to provide comments on this draft report. If you have any questions, please call Lenny Dupuis @ 804-273-3022 or Leonard.dupuis@dom.com.

Sincerely,

A handwritten signature in black ink that reads "Pamela F. Faggert". The signature is written in a cursive, flowing style.

Pamela F. Faggert